

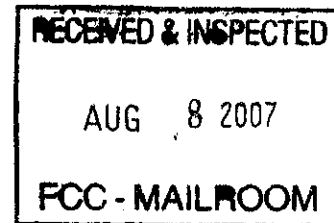


Business Partners & Certified Public Accountants

DOCKET FILE COPY ORIGINAL

August 2, 2007

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554



**Re: Implementation of the Pay Telephone Reclassification and
Compensation Provisions of the Telecommunications Act of 1996,
CC Docket No. 96-128**

Dear Ms. Dortch:

Attached please TCAST Communications compliance report which we have prepared. TCAST Communications is required to submit to the FCC per the requirements of 47 C.F.R. Section 64.1310, as discussed in the FCC Report and Order released on October 3, 2003 in the above docket. Please let me know if you have any questions.

Sincerely,

Joe Solana
Managing Partner

1200 Old Alpharetta Road, Alpharetta, Georgia 30005
Telephone (678) 527-2155 Fax (770) 889-5799
www.gsassociatesinc.com

No. of Copies rec'd 0
List ABCDE

Business Partners & Certified Public Accountants
Telephone (678) 527-2155
Fax (770) 889-5799
www.gsassociatesinc.com

RECEIVED & INSPECTED

AUG 8 2007

FCC - MAILROOM



TCAST
Communications, Inc.

Independent Auditor's System Report
For Payphone Compensation
As required by FCC Order 03-235
Docket No. 96-128

Table Of Contents

TABLE OF CONTENTS	2
INDEPENDENT AUDITOR'S SYSTEM AUDIT REPORT	3
OVERVIEW OF SYSTEM AUDIT REQUIREMENTS	4
BACKGROUND.....	4
AUDIT PROCESS & PROCEDURES	5
FACTOR 1: PAYPHONE COMPENSATION POLICIES & PROCEDURES.....	6
FACTOR 2: RESPONSIBLE DEDICATED STAFF.....	7
FACTOR 3: DATA MONITORING PROCEDURES.....	7
FACTOR #4: COMPENSATION ASSURANCE PROTOCOLS.....	8
FACTOR #5: COMPENSABLE CALL FILE AND REPORTING.....	8
FACTOR #6: REQUIRED REPORTING.....	8
FACTOR #7: DISPUTE RESOLUTION PROCEDURES.....	9
7.1 TCAST Obligation.....	9
7.2 TCAST Dispute Resolution Process.....	9
FACTOR #8: INDEPENDENT TESTING OF CRITICAL CONTROLS AND PROCEDURES.....	9
8.1 Payphone Call Tracking System Test.....	9
8.2 Alternate Compensation Agreements.....	10
FACTOR #9: ADEQUATE AND EFFECTIVE BUSINESS RULES.....	10
AUDIT CONCLUSIONS.....	10
1. FCC RELEVANT RULES ACCURATELY STATED.....	10
2. ESTABLISHED SECURITY PROTOCOLS.....	10
3. AUDIT FINDINGS.....	11

Independent Auditor's System Audit Report

Board of Directors
TCAST Communications

We have examined TCAST Communications call tracking system for payphone calls in compliance with FCC Order 03-235, Docket No 96-128, for the period Q3 2006. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the company's compliance based on our examination.

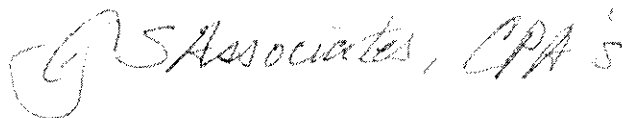
Our examination included procedures to obtain reasonable assurance about whether the controls included in our audit were suitably designed to achieve the control objectives, namely that their call tracking system accurately tracks payphone calls to completion and that the company satisfactorily complied with and applied these controls and such controls will be placed in operation consistently in the future.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on compliance with specified requirements.

In our opinion, TCAST Communications complied, in all material respects, with the aforementioned requirements for the period mentioned through September 30, 2006. The company has sufficient controls in place to provide reasonable assurance to achieve the control objectives; namely that the call tracking system accurately and consistently tracks payphone calls to completion.

The description of policies and procedures concerning Payphone Compensation as of May 8, 2007, as well as information concerning tests of the operating effectiveness and Alternative Compensation Agreements includes the period of Q1 2007. Future projection of such information is subject to the inherent risk that, because of change, the description may no longer portray those procedures in existence. The potential effectiveness of specific controls is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that, (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

This report is intended solely for the information and use of TCAST Communications and is not intended to be and should not be used by anyone other than the specified party.



GSA Associates
CPA's & Business Partners
May 15, 2007

Overview of System Audit Requirements

This System Audit Report covers FCC Order (03-235, Docket No 96-128), effective July 1, 2004, requiring Interexchange Carriers (IXC's), Local Exchange Carriers (LEC's) and Switch Based Resellers (SBR's) to establish and maintain a comprehensive Call Tracking System (CTS) which accurately reports and compensates Payphone Service Providers (PSP's). The Order calls for an independent third party audit report in conformity with AICPA standards. The independent auditor's report shall conclude whether the SBR, LEC, or IXC complied, in all material respects, with the factors set forth (below) regarding the CTS as follows:

- 1) Whether the SBR's procedures accurately reflect the Commission's rules, including the attestation reporting requirements.
- 2) Whether the SBR has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.
- 3) Whether the SBR has effective data monitoring procedures.
- 4) Whether the SBR adheres to established protocols to ensure that any software, personnel, or any other network changes do not adversely affect its payphone call tracking ability.
- 5) Whether the SBR has created a compensable payphone call file by matching call detail records against payphone identifiers.
- 6) Whether the SBR has procedures to incorporate call data into required reports.
- 7) Whether the SBR has implemented procedures and controls needed to resolve disputes.
- 8) Whether the independent third-party auditor can test all critical controls and procedures to verify that errors are insubstantial, and
- 9) Whether the SBR's have adequate and effective business rules for implementing and paying payphone compensation.

Background

TCAST Communications (TCAST) resells telecommunications services to both wholesale and retail customers. TCAST provides these services in the United States via its Telelink platform. TCAST has eliminated its prepaid calling card products. All payphone originated calls are a result of inbound toll free service which it resells to its client base, and or its own inbound customer service toll free lines. TCAST utilizes its own in house compensation system to identify payphone originated calls and to process, report and pay compensation. TCAST is responsible for compensating a small portion of its inbound toll free traffic. The remainder of the traffic is covered under alternative compensation agreements discussed later in this document.

Audit Process & Procedures

TCAST has been compensating PSP's directly since the inception of the current order in 2004. The primary focus of our audit was the testing of TCAST's call tracking system, policies and procedures. Specifically, is TCAST able on a consistent basis to identify, isolate and report on completed calls to its platform? We performed test calls to the TCAST platform and reviewed CDR to test the effectiveness of the Call Tracking System. Through interviews with key personnel we will determine if those employees charged with operating and maintaining the call tracking system are educated and up to date on the current FCC order. These interviews will help to determine if the appropriate controls are in place to guarantee consistency and accuracy in the compensation and call tracking systems.

The guidelines used to conduct and prepare this report are established in the AICPA's Statements on Standards for Attestation Engagements (SSAE), specifically, SSAE 10, AT Section 101 *Attest Engagements* and AT Section 601 *Compliance Attestation*.

Those standards required that we:

- 1) Have adequate technical training and proficiency in the attest function.
- 2) Perform the attest function using practitioners having adequate knowledge of the subject matter.
- 3) Evaluate the subject matter against suitable criteria such as:
 - a) *Objectivity* – free of bias
 - b) *Measurability* – reasonable consistent measurements, qualitative or quantitative, of subject matter.
 - c) *Completeness* – sufficiently complete so that relevant factors that would alter a conclusion about subject matter are not omitted.
 - d) *Relevance* – criteria relevant to the subject matter.
- 4) Maintain an independent mental attitude in all matters relating to the engagement.
- 5) Exercise due professional care in the planning and performance of the engagement.
- 6) Obtain sufficient evidence to provide reasonable basis for our conclusion expressed in the report.

FACTOR 1: Payphone Compensation Policies & Procedures.

TCAST has established and is currently documenting policies & procedures specifically in compliance with the Dial Around Compensation FCC order. TCAST conducted a systems audit as part of their Payphone Compensation Audit in 2004 and 2005. The recommendations from that audit have been implemented. GSA has previously witnessed and/or tested some of the points as listed below. These include, but are not limited to:

1. Backup Policy – Documented.
2. Log Tracking & Archive Process – Documented.
3. Core Security Policy – Offsite – Documented.
4. Physical Security Policy.
 - a. Onsite – Tested.
 - b. Offsite – Documented.
5. Host / Server Security Policy – Documented.
6. Change Control Policy – Documented.
7. Password Policy – Documented & Tested.
8. Information Access Control Policy – Tested.
9. Monitoring Policy – Documented.
10. Firewall Policy – Documented.

TCAST has also drafted and implemented a dispute resolution process which includes but is not limited to:

1. Responsible parties
2. Data file Retention period
3. Compensation file Retention period
4. Compensation reporting requirements

TCAST has in place a detailed process document which outlines the steps necessary to retrieve and consolidate data from its platforms. This procedure guarantees that the integrity of data on a month by month/quarter by quarter will be consistent. This document includes but is not limited to:

1. Responsible parties
2. Location of databases
3. Steps for uploading data to clearing house.

GSA has reviewed these documents and finds them to be complete and substantiated. These procedures have been implemented in the organization and are reviewed quarterly by management.

FACTOR 2: Responsible Dedicated Staff.

TCAST has dedicated staff responsible for tracking, compensating, reporting and resolving disputes concerning completed calls as follows:

1. Mark Jordan, President & CEO, is responsible for drafting necessary business requirements.
2. Compensation Administrator, Karen Douglas is responsible for developing & maintaining systems to create payphone call records from switch records.
3. Compensation Administrator, Karen Douglas is responsible for implementing & maintaining procedures that check the validity of identified payphone records.
4. Compensation Administrator, Karen Douglas is responsible for implementing & maintaining procedures that create final compensation data sets.
5. Compensation Administrator, Karen Douglas is responsible for developing compensation tracking reports.
6. Compensation Administrator, Karen Douglas is responsible for dispute resolutions.

These individuals have expertise regarding the systems and procedures and are involved on day to day basis with the process.

FACTOR 3: Data Monitoring Procedures.

TCAST has developed a systematic reporting process to generate daily, monthly and quarterly reports on payphone call counts, numbers called, and info digits used as a subset of their total CDR accumulation. Management regularly reviews this data on a monthly and quarterly basis for accuracy and completeness. GSA has been provided with this data and has determined that TCAST can produce reports on a regular basis that reflect:

- a) Trends of switch traffic volumes entering their payphone compensation systems.
- b) Possible fraud on potential illegitimate payphone calls.
- c) Trends of excluded calls.
- d) The capability to develop customized reports to help resolve disputes.
- e) Capacity for other appropriate trending reports.

Switch information is extracted every 2 minutes which insures that in the event of switch outage the chance of lost CDR is minimized. TCAST has identified potential data pitfalls, however this is monitored and a rare occurrence. TCAST regularly reviews carrier CDR in relation to its switch CDR, errors are immediately addressed with the carrier in question, and corrections are made. GSA found that the individuals responsible for data integrity were knowledgeable and were proactive in their monitoring of traffic and switch performance.

FACTOR #4: Compensation Assurance Protocols.

TCAST has established procedures (refer to Audit Factor #2) which guarantee that the company will remain in compliance with current FCC requirements. These procedures ensure that software, personnel, or any other network changes or additions to the payphone compensation process are done in accordance with guidelines and approvals documented in the aforementioned procedure section and do not adversely affect its call tracking capabilities. TCAST has placed the ownership of these processes with senior management, insuring that no changes which could jeopardize the process can occur. GSA was provided with these documented procedures and reports. In addition, TCAST will remain informed of all pertinent changes to the FCC mandated compensation regulations. TCAST maintains at a minimum the 6 quarters of past CDR and Compensation files required by the FCC.

FACTOR #5: Compensable Call File and Reporting.

TCAST retrieves all data directly from carrier and company CDR and prepares online reports for utilization in the compensation process. TCAST has documented this process including the various queries utilized to extract the data. TCAST provided samples of this CDR, from its platform in two formats. These two formats included the raw switch data from the Telelink server and the PSP formatted data. TCAST also provided CDR specifically for test calls that GSA made for review. We determined that this file contained all of the necessary data that is required by the clearinghouse to perform the ANI match and to prepare detailed reports for compensation. TCAST achieved 100% accuracy with test calls conducted. TCAST also indicated that its compensation system captures all traffic from in bound toll free numbers regardless of what the utilization of the toll free is. By doing this TCAST insures that it will capture all payphone calls including those which are pointed at its customer service center.

FACTOR #6: Required Reporting.

TCAST by utilizing its own compensation systems is able to create compensation reports. These reports indicated by PSP the number of calls, ANI's, and compensation due. TCAST then utilizes this report to remit to each PSP. GSA has reviewed this process and tested for accuracy. The Q306 data was complete and accurate. GSA matched this data with switch CDR.

FACTOR #7: Dispute Resolution Procedures.

7.1 TCAST Obligation

TCAST subscribes, or receives CD's from the major aggregators and PSP's. This insures that TCAST will have the most current data regarding payphone ownership each quarter. TCAST endeavors to have 100% matching of payphone anis, however this is a difficult undertaking and TCAST maintains a file of unmatched ANI's.

7.2 TCAST Dispute Resolution Process

TCAST has assigned their Compensation Manager, Karen Douglas, as the individual responsible for processing payments to PSP's and aggregators, and for managing the in house payphone compensation system Ms. Douglas is most capable of handling disputes arising from the compensation method. TCAST has documented its dispute resolution process.

GSA has reviewed both processes and found them to be complete and all encompassing.

FACTOR #8: Independent Testing of Critical Controls and Procedures.

8.1 Payphone Call Tracking System Test

TCAST operates as a provider of prepaid telecom products. Their platform is capable of capturing all relevant components of the call stream from origination to completion. This ability is the backbone of its call tracking system. In order to test the accuracy of the call tracking system, TCAST provided GSA with access to its platform via toll free number. GSA used the access number to conduct test calls from several sources including payphones, landlines and wireless lines. Our test calls were both completed and incomplete. We determined the following:

1. All necessary information, related to call origination, required to record payphone calls appears. TCAST defines procedures for identifying the accurate Payphone Operator code from the ANI data transmission and, further, identifies their coding procedures for segmenting completed calls with payphone codes.
2. Toll Free Number was present. This is used to determine if compensation should be paid, or not paid based on alternative compensation agreements.
3. Date and Time stamp, necessary to process a compensable call in the appropriate quarter.
4. Payphone Identifier, to further help identify a compensable call.

8.2 Alternate Compensation Agreements

TCAST has executed alternate compensation agreements for its retail customers. These agreements pass on the liability for payphone compensation to the customer, or outline an alternative compensation method where TCAST collects and reimburses the PSP's for the customer. In either case TCAST assumes no liability for compensation since they act as an intermediate carrier for the customer.

FACTOR #9: Adequate and Effective Business Rules.

Through observations and interviews of key personnel at TCAST, GSA found that all of the procedures documented here are instituted throughout the organization. The personnel assigned to various aspects of the system are well versed in the process, and understand the rules and consequences of non compliance. Therefore with the combination of education, procedures, executive oversight and outside consulting, TCAST has in place adequate and effective business rules for implementing and paying payphone compensation in a timely and accurate basis.

Audit Conclusions

1. FCC Relevant Rules Accurately Stated

TCAST has established, defined, and documented in accordance with relevant FCC Rules each of the following:

- Per-call rate.
- Per-phone requirements.
- Calls included as compensable calls
- Definition of completed call.
- Reporting requirements.
- Dispute resolution
- Data Storage Requirements.

2. Established Security Protocols

TCAST has implemented security protocols to limit access to call tracking systems in a controlled environment to authorized personnel. Monitoring tracking systems have been installed to limit access to the company's call tracking system. Access to compensation systems is controlled and monitored as well as limited to authorized personnel through security measures which have been implemented.

3. Audit Findings

TCAST, a California Corporation, with principal operations in Valencia, California since 1995, is a provider/reseller of prepaid telecom products and services. TCAST provides these services from its operations in Valencia, California. GSA has validated payments made through Q3 of 2006. GSA has verified that TCAST has a viable compensation system that accurately tracks and reports payphone calls. Through interviews with key company personnel, it is clear that the Company will be able to continue to operate their compensation system accurately and consistently in the future.